

that the Crown should assist the adjacent settlers in the fencing-off of the common boundary in those localities where sections of bush are reserved or held back from sale. The liability under this head might be covered by the royalties gathered from the working of the forests throughout the whole district. As regards the effect upon the revenue of the Lands Department, it must be conceded that there would be a falling-off in the areas selected for settlement and in the revenue derivable therefrom. On the other hand, the Government would be recouped in years to come by the royalties payable by the mills engaged in the utilisation of the timber.

In giving effect to these proposals we must not lose sight of the fact that some of the lands to be reserved or held back are loaded with the estimated cost of roads, and to a very slight extent for the value of improvements effected by former lessees; but the liability under this head is far less than appears on paper, for by curtailing the extension of roads or postponing the expenditure the sinking fund and interest on the amount should be reduced to an insignificant figure.

*Financial and General.*—The establishment of extensive conservations will entail upon the Crown additional responsibilities in safeguarding and protecting the reserves, and may bring also additional expense in years to come in the rabbiting of portions of the country. It follows also as a matter of course that sooner or later Rangers and other officers must be maintained to effectually insure the conservation and proper working of the forests; but here again the revenue derivable from the produce of the forests should more than recoup the cost of administration.

Estimates have been made as to the quantity of timber per acre of New Zealand forests. Some years ago it was estimated at from 15,000 to 30,000 superficial feet. A well-known miller recently assured me that the labour-value of utilising and working the timber on an acre of ordinary heavy bush land in the Rangitikei district amounts to about £18. Whatever may be said of these estimates, it cannot be gainsaid that there is no more advantageous and profitable labour-employing industry in the colony than that presented by the utilisation of the forests. This affords one of the strongest arguments in favour of the conservation, where possible, of milling-timber. It has been suggested as a novel idea that the State might undertake the cutting and distribution of the timber from the forests. As this has already been done in other countries, there is no reason why it should not be applied in New Zealand under proper condition at an opportune time. Judging by what has occurred in the past in the older countries of the world, or even already in this new colony, it seems safe to assume, unless precautions are taken, that within a comparatively short period the whole of the forest in the Wellington Land District will have disappeared as the ordinary result of settlement and disastrous fires which periodically sweep over the face of the country. Our indigenous forests are so extremely sensitive and subject to destruction that I am led to the conclusion that it will be very difficult, even under the most stringent regulations and safeguards, to preserve them, except in specially favourable localities; nevertheless, no one can doubt that it is the duty of the Crown and the colonists to do all in their power to postpone, or prevent altogether, such a deplorable result. Likewise, arguing from analogy and altered conditions in other countries, it seems inevitable that, should there be widespread and general destruction of forest, scrub, and coarse vegetation throughout the several districts, the loss to the colony and community will be incalculable, for the whole face of the country must be affected by the constant exposure to rain and sun; the better portions of the soil will be washed off the higher lands, the surface must become hardened and less fertile, and the constant productive capabilities of the land must materially deteriorate. The exposed watersheds must tend to the drying-up of springs and watercourses, bringing disaster in the form of drought. On the other hand, the rapid distribution of the rain-waters, and their accumulation in rivulets and rivers, must lead to the washing-down and removal of the soil from the mountains and hills, the scouring of channels, the flooding of low-lying lands and the deposit of detritus thereon. It is unnecessary to again revert to all the important considerations which should spur the community, by every means in its power, to avoid such disastrous consequences as are indicated. It is sufficient here to say that, under such conditions, the country would be afflicted and impoverished, and certainly would be no longer the beautiful and attractive region it now is.

It might be thought by some that I have grossly exaggerated the danger and the result of total forest-denudation, but I think I am justified in repeating that the evidence of experience and results in other countries, and even in this colony, furnishes incontestable proof of the necessity for a general and comprehensive scheme of forest-conservation. It is probable the time is not far distant when the task of reforesting some portion of the country will have to be faced.

On receiving your approval of the foregoing suggestions steps will be at once initiated for the withdrawal from sale of the Crown lands affected, to be followed up by notifications of conservation. Until approved the daily sales of Crown lands trench upon the area included in these proposals.

Supplementary proposals will follow as opportunity offers.

The Surveyor-General, Wellington.

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Commissioner of Crown Lands.